Proposal to permit entry of private banks

1264. SHRI KAMAL MORARKA : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under Government's consideration to permit the entry of new private banks;

(b) if so, by when a decision is likely to be taken in the matter;

(c) whether any criteria for new private banks has been fixed;

(d) if so, what are the details thereof;

(e) the number of proposals received in this regard alongwith the details thereof; and

(f) what is the number of banks that are expected to be set up ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DAL-BIR SINGH) : (a) to (d) The Indian Banking Sector includes several private sector banks and Government has consistently taken the view that these banks have an important role to play. There has been no bar on the entry of new private sector banks though it is true that no new banks have entered for several years. The policy towards the banking system has been reviewed in the light of the recommendations of the Narsimham Committee. The Committee has recommended that new private sector banks should be allowed to enter provided they are able to meet transparent prudential norms including those relating to capital adequacy. The Government has accepted this recommendation and has decided that new private sector banks will be allowed entry into the financial sector subject to their fulfilling comprehensive and transparent requirements on which guidelines will be issued by the Reserve Bank of India.

(e) Reserve Bank of India have reported that they received *59* enquiries/proposals including those from individuals seeking permission/applying for licences for private sector banks.

(f) Since, RBI are yet to issue the guidelines, it is not possible to indicate at this stage the number of banks that are expected to be set up in the private sector.

Response under open invitation to Foreign Investors

1265. SHRI KAMAL MORARKA : Will the Minister of FINANCE be pleased to state :

(a) whether Government's open invitation to foreign investors has yielded any tangible results;

(b) whether it is fact that foreign investment is not flowing upto the expected levels;

(c) if so, what was the total foreign investment Government had expected and what is the net inflow of foreign investment so far;

(d) whether Government have analysed the weaknesses in the policy and propose any modifications; and

(e) what are the details of the steps being taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHAWAR THAKUR) : (a) to (c) Measures taken by the Government to attract foreign investment into the country have yielded encouraging response as would be reflected from the following comparisons :—

Total amount of foreign equity approvals

	(Rs. billions)
1990-91 Auguset-July)	1.6
1991-92 (August—July)	19.5
1991 (August—October)	1.4
1992 (August—October)	17.2

(d) and (e) Policy relating to foreign investment is analysed on a continuous basis to meet emerging situation in the domestic economy and perceptions of foreign investors.

Gupta Committee Report on Rural Banks

1266. SHRI KAMAL MORARKA : Will the Minister of FINANCE be pleased to state :

(a) what are the main recommendations of the Gupta Committee appointed on Rural Banks by NABARD;

(b) whether Government have considered the recommendations of the Committee;

(c) if so, what is the decision taken thereon; and

(d) by when the recommendations are likely to be implemented ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DAL-BIR SINGH) : (a) to (d) Consequent upon the implementation of the Award of the National Industrial Tribunal for Regional Rural Banks and the recommendations of the Equation Committee, certain changes were to be brought about in Service Regulations, Recruitment and Promotion Policy for the RRB employees. The National Bank for Agriculture and Rural Development (NABARD) had accordingly constituted a Working Group in September, 1991, with the following terms of reference :

(i) to frame service regulations for all categories of employees of Regional Rural Banks;

(ii) to frame recruitment and promotion policies in RRBs; and

(iii) any other matter relating to the implementation of the award of the Tribunal read with the Equation Committee Report.

National Bank for Agriculture and Rural Development to whom the Working Group submitted its report have advised the Government on the implementation of the recommendations relating to staff Service Regulations, Recruitment and Promotion Policy etc. The recommendations of the Working Group are under consideration and decisions on the same will be taken in due course.

Setting up of a National Rural Bank of India

1267. SHRI KAMAL MORARKA :

SHRI VISHWASRAO RAMRAO PATIL:

Will the Minister of FINANCE be pleased *to* refer *to* the answer *to* Starred Question 92 given in the Rajya Sabha on 3rd March, 1992 and the answer to Unstarred Question 3737 given in the Rajya Sabha on 11th August, 1992 and state: 12—407 RSS/93

(a) what progress has been made so far with regard to the establishment of a National Rural Bank of India; and

(b) if not, what alternatives are being considered with a view to improve the viability and revival of Regional Rural Banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DAL-BIR SINGH) : (a) and (b) Government is considering the proposal for establishment of a National Rural Banks of India (NRBI) by merging all the existing 196 Regional Rural Banks (RRBs), with a view to improve the viability of RRBs and increase the flow of credit to rural sector. No final decision has so far been taken in this regard.

राजीव गांधी फाउन्डेशन, नई दिल्ली को दान

1268. श्री मोहम्मद अफजल उर्फ मीम अफजल : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) राजीव गांधी फाउन्डेशन, नई दिल्ली को 31 अक्तूबर, 1992 तक कुल कितनी राशि के दान प्राप्त हुए हैं; और

(ख) उन व्यक्तियों और संस्थाओं के नाम क्या-क्या हैं जिन्होंने इस फाउन्डेशन को एक लाख रुपये से अधिक के दान दिये हैं ?

वित्त मंत्रालय में राज्य मंत्री (श्री रामेश्वर ठाकुर) : (क) दिनांक 31 अक्तूबर, 1992 तक श्री राजीव गांधी फाऊन्डेशन, नई दिल्ली द्वारा प्राप्त किए गए दानों की कुल राशि 16,62,03,825 रुपये हैं ।

(ख) जिन व्यक्तियों तथा संस्थानों ने एक लाख रुपये से अधिक का दान दिया है, उनकी सूची संलग्न है (देखिए परिशिष्ठ, 165, अनुपत्र संख्या 19)

Report of Expert Committee on Wage Structure

1269. MAULANA OBAIDULLAH KHAN AZMI : Will the Minister of FINANCE be pleased to refer the answer to Unstarred Question 539 given in the